

**BEFORE THE STATE CORPORATION
OF THE STATE OF KANSAS**

In the matter of the failure of Novy Oil & Gas, Inc. (Operator) to comply with K.A.R. 82-3-111 at the Bolack B #1, Bolack B #3-A, and Bolack B #4 in Cowley County, Kansas.	)	Docket No.: 21-CONS-3099-CPEN
_____	)	CONSERVATION DIVISION
	)	License No.: 31714
In the matter of the failure of Novy Oil & Gas, Inc. (Operator) to comply with K.A.R. 82-3-111 at the Carlene #2 in Reno County, Kansas.	)	Docket No.: 21-CONS-3116-CPEN
_____	)	CONSERVATION DIVISION
	)	License No.: 31714

**MOTION TO EXTEND DEADLINE FOR
SETTLEMENT AGREEMENT**

COMES NOW Novy Oil & Gas, Inc., by and through its counsel of record, and moves the Commission for an order extending the deadline to comply with the settlement agreement in the above-captioned matter.

Novy Oil & Gas, Inc. shows the Commission that it had previously entered into a Settlement Agreement (attached hereto as ATTACHMENT A) with staff which resolves the docket listed above.

On February 16, 2021, the Commission approved the Settlement Agreement which gave Novy Oil & Gas, Inc. until February 28, 2021 to bring four wells into compliance.

Novy Oil & Gas, Inc. completed the majority of the work on the wells, but was unable to fully complete it due to due to snow and sub-zero temperatures. For example, on the date the Commission approved the Settlement Agreement and Order, south-central Kansas experienced

temperatures as low as negative seventeen degrees Fahrenheit (– 17° F). Under Section 5(a)(1) of the Occupational Safety and Health Act of 1979, employers have a responsibility to provide workers with a place of employment which are free from recognized hazards, including cold stress, which are likely to cause death or serious physical harm to them. 29 U.S.C. § 654. At sub-zero temperatures, frostbite is possible within thirty minutes of exposure; at fifteen degrees below zero, frostbite is possible within fifteen minutes. These field conditions prevented the work from being completed by the deadline.

Novy Oil & Gas, Inc. requests that the Commission extend the company's deadline to comply with the Settlement Agreement to March 31, 2021.

Respectfully submitted,

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By /s/Charles C. Steincamp
Charles C. Steincamp #16086
Attorney for Novy Oil & Gas, Inc.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 8th day of March, 2021, the Motion to Vacate Proposed Default Order and for Approval of Settlement Agreement was electronically filed (pursuant to K.A.R. 82-1-219(h), a hard copy will not follow) and a copy e-mailed to the following:

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/s/Charles C. Steincamp
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ATTACHMENT A

**BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

In the matter of the failure of Novy Oil & Gas, Inc. (Operator) to comply with K.A.R. 82-3-111 at the Bolack B #1, Bolack B #3-A, and Bolack B #4 in Cowley County, Kansas.	)	Docket No.: 21-CONS-3099-CPEN
	)	CONSERVATION DIVISION
	)	License No.: 31714

In the matter of the failure of Novy Oil & Gas, Inc. (Operator) to comply with K.A.R. 82-3-111 at the Carlene #2 in Reno County, Kansas.	)	Docket No.: 21-CONS-3116-CPEN
	)	CONSERVATION DIVISION
	)	License No.: 31714

SETTLEMENT AGREEMENT

This Settlement Agreement (Agreement) is entered into by and between the Staff of the Corporation Commission of the State of Kansas (Staff and Commission, respectively) and Operator (collectively referred to herein as the Parties). If the Commission does not approve this Agreement by a signed Order, then this Agreement shall not be binding on either party. The effective date of this Agreement will be the date the Commission enters an order approving or amending the terms of the Agreement.

I. BACKGROUND

1. On November 17, 2020, the Commission issued a Penalty Order against Operator in Docket 21-CONS-3099-CPEN (21-3099 Docket) for three violations of K.A.R. 82-3-111 finding that the Bolack B #1, API #15-035-20636, Bolack B #3-A, API #15-035-24133, and Bolack B #4, API #15-035-24266, have been inactive in excess of the time allowed by regulation without being plugged, returned to service, or approved for TA status. The Penalty Order assessed a \$300 penalty, and directed Operator to plug the wells, return the wells to service, or obtain TA status for the wells if eligible.

ATTACHMENT A

2. On November 25, 2020, Operator paid the \$300 penalty assessed in the 21-3099 Docket.

3. On December 8, 2020, the Commission issued a Penalty Order against Operator in Docket 21-CONS-3116-CPEN (21-3116 Docket) for one violation of K.A.R. 82-3-111 finding that the Carlene #2, API #15-155-21555, has been inactive in excess of the time allowed by regulation without being plugged, returned to service, or approved for TA status. The Penalty Order assessed a \$100 penalty, and directed Operator to plug the well, return the well to service, or obtain TA status for the well if eligible.

4. On December 18, 2020, Operator timely filed a request for hearing in the 21-3099 Docket, wherein its representative stated it planned to put the wells back into production as soon as oil prices recover.

5. On December 28, 2020, Operator paid the \$100 penalty assessed in the 21-3116 Docket.

6. On December 29, 2020, the Commission issued an Order Designating Presiding Officer and Setting Prehearing Conference setting a prehearing conference for January 14, 2021. Prior to the prehearing conference, the Parties discussed resolution of the underlying issues in this docket, and reached a settlement in this matter. As part of the settlement, Staff agreed to reduce the terms to writing and submit the same for Commission approval. The terms of the settlement are set forth below.

7. On January 11, 2021, Operator timely filed a request for hearing in the 21-3116 Docket, wherein its representative stated it planned to put the well back into production as soon as oil prices recover.

II. TERMS OF THE SETTLEMENT AGREEMENT

8. The Parties agree that the Commission has jurisdiction and authority over this matter. The Parties also agree that adoption of this Agreement is in the public interest and that the Commission should approve the terms as set forth below.

9. Operator stipulates that it committed four violations of K.A.R. 82-3-111.

10. Operator agrees to bring all four of the subject wells into compliance with K.A.R. 82-3-111 by February 28, 2021.

11. Failure to timely bring the subject wells into compliance by the deadline will result in the suspension of Operator's license. Operator agrees and understands that if its license is suspended for the failure to meet the deadline above, the license shall remain suspended until the subject wells have been brought into compliance with K.A.R. 82-3-111.

12. Operator agrees to waive its right to appeal the Commission's Order approving this Agreement, and any penalties assessed under this Agreement.

IN WITNESS WHERETO, the Parties hereby execute and approve this Settlement Agreement by subscribing their signatures below.

Commission Staff

By: Kelcey Marsh

Printed Name: Kelcey Marsh

Title: Litigation Counsel

Date: 2/3/21

Novy Oil & Gas, Inc.

By: Michael E. Novy

Printed Name: Michael E. Novy

Title: President

Date: 1-23-21

CERTIFICATE OF SERVICE

21-CONS-3099-CPEN AND 21-CONS-3116-CPEN

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of

first class mail and electronic service on 02/16/2021.

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/S/ DeeAnn Shupe

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